

Office of Chief Counsel  
Internal Revenue Service

**memorandum**

CC:LM:MCT:DET:POSTF-166962-01  
ERSkinner

date: 12/13/01

to: Territory Manager, Manufacturing and Transportation, LM:MT  
Dave Stacey, Team Manager  
Attn: Karen Edie, Team Member

from: LMSB Counsel, Detroit, Michigan

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subject: [REDACTED] ( [REDACTED] )  
I.R.C. § 6229 (b) Agreement to extend assessment period

This memorandum is in response to your request for our office to review the proposed Form 872-P Consent to Extend the Time to Assess Tax Attributable to Items of a Partnership, for [REDACTED] for the years ended December 31, [REDACTED] and [REDACTED].

**Issues**

I. Whether [REDACTED] as "authorized officer of [REDACTED] (EIN [REDACTED]) and [REDACTED] (EIN [REDACTED]) on behalf of [REDACTED] L.P. (EIN [REDACTED]) as Tax Matters Partner of [REDACTED] is the proper party to execute the Form 872-P, Consent to Extend the Time to Assess Tax Attributable to Items of a Partnership, for [REDACTED] ( [REDACTED] ) for the years ended December 31, [REDACTED] and [REDACTED]

II. What changes, if any, should be made to the version of the Form 872 - P secured by the LMSB examination team.

**Conclusions**

I. [REDACTED] may sign the [REDACTED] Form 872 - P as "authorized officer of [REDACTED] (EIN [REDACTED]) and [REDACTED] (EIN [REDACTED]) on behalf of [REDACTED] L.P. (EIN [REDACTED]) as Tax Matters Partner of [REDACTED]

II. The Form 872-P (11-92) may be used with the following pen and ink changes: 1. "District Director of Internal Revenue or the Regional Director of

Appeals" should be crossed out and replaced with "Commissioner of Internal Revenue"; and 2. Cross out "District Director of Internal Revenue" on the signature line and replace it with "Director, Field Operations Heavy Manufacturing and Transportation".

### Facts

██████████ ("██████████") is a business trust formed on ██████████ and treated as a TEFRA partnership for federal tax purposes. ██████████ filed Forms 1065, U.S. Partnership Return of Income for the years ended December 31, ██████████ and ██████████. The earliest statute of limitations (for the ██████████ Form 1065) is ██████████.

██████████'s tax matters partner listed on its ██████████ and ██████████ Forms 1065 is ██████████ L.P. ("██████████"), a limited partnership. (Copies of the first two pages of ██████████'s ██████████ and ██████████ Forms 1065 are attached hereto as Exhibit A) ██████████'s tax matters partner listed on its ██████████ and ██████████ Forms 1065 is ██████████ ("██████████"), which was a subsidiary of ██████████ ("██████████"), during ██████████ and ██████████. (Copies of the first two pages of ██████████'s ██████████ and ██████████ Forms 1065 are attached hereto as Exhibit B). ██████████ was included in ██████████'s consolidated federal corporate income tax returns for ██████████ and ██████████. ██████████ is an authorized officer of ██████████ and its subsidiaries.

Exam received an executed Form 872-P (11-92) for ██████████'s ██████████ and ██████████ tax years on ██████████. (See Exhibit C). The form was signed by ██████████ as "authorized officer of ██████████ (EIN ██████████) and ██████████ (EIN ██████████) on behalf of ██████████ L.P. (EIN ██████████) as Tax Matters Partner of ██████████."

### Discussion and Analysis

#### I. Authority to execute Form 872-P

I.R.C. § 6229(a) provides that the period for assessing any tax attributable to partnership items (or to affected items) with respect to any partner will not expire before three years from the later of the due date of the entity's return (without regard to extensions) or the date the entity's return is filed.

I.R.C. § 6229(b) (1)(B) allows the three year period to be extended with respect to all partners at any time during the initial three-year period by an agreement entered into by the Secretary and either the tax matters partner or "any other person authorized by the partnership in writing to enter into such an

agreement. "

As Chief Tax Officer, [REDACTED] is authorized to execute consents to extend the period of limitations on behalf of [REDACTED]. See Rev. Rul. 83-41, as clarified by Rev. Rul. 84-165. Since [REDACTED] is an officer of [REDACTED], the parent company of [REDACTED], and [REDACTED] is the TMP of [REDACTED] who in turn is the TMP of [REDACTED]; [REDACTED] may execute the Form 872-P for [REDACTED] using the following language<sup>1</sup>:

[REDACTED], as authorized officer of [REDACTED]  
[REDACTED] (EIN [REDACTED]) and [REDACTED]  
[REDACTED] (EIN [REDACTED]) on behalf of [REDACTED] L.P.  
[REDACTED] (EIN [REDACTED]) as Tax Matters Partner of [REDACTED]

## II. Pen and Ink Changes to Form 872-P (11/92)

Final versions of Form 872-P (as well as other versions of Form 872 e.g. -T; -A) have not yet been approved. In the interim, we suggest the following pen and ink changes to the Form 872-P (11-92) at issue in this case:

1. "District Director of Internal Revenue or the Regional Director of Appeals" should be crossed out and replaced with "Commissioner of Internal Revenue"; and
2. Cross out "District Director of Internal Revenue" on the signature line and replace it with "Director, Field Operations Heavy Manufacturing and Transportation".

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<sup>1</sup>For a similar analysis involving multiple tiers of subsidiary corporations and partnerships in the context of whether an individual is authorized to sign consent forms pursuant to I.R.C. § 6229(b) see CCA 200052017.

If you have any further questions concerning this matter, please feel free to telephone the undersigned at (313) 237-6426. This advice is subject to National Office Review and should not be relied upon or disseminated for a period of 10 days or upon notification of this office. This writing may contain privileged information. Any unauthorized disclosure of this writing may have an adverse effect on privileges, such as the attorney client privilege. If disclosure becomes necessary, please contact this office for our views.

PHOEBE L. NEARING  
Associate Area Counsel (LMSB)

By: \_\_\_\_\_

ERIC R. SKINNER  
Attorney

enclosures  
As stated